



January 24, 2013

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: United States Cellular Corporation

WT No 12-69

Dear Ms. Dortch:

In accordance with Section 1.1206 of the Commission's rules, we hereby provide you with notice of an oral ex parte presentation in connection with the above-captioned proceeding. On July 12, 2013, I met with Ruth Milkman, Jim Schlichting, Charles Mathias, Maria Kirby, Bill Stafford, Paroma Sanyal, and Tom Tran of the Wireless Telecommunications Bureau.

During the course of the discussions, I made the following points as a followup to U.S. Cellular's January 2013 meeting with WTB on the Band 12 handset ecosystem:

- 1) AT&T's recent statements on the record that U.S. Cellular has a large number of Band 12 devices and therefore no problems exist, is incorrect. There are some notable exceptions to our lineup including a lack of Band 12 devices from HTC, BlackBerry®, Nokia and Apple.
- 2) U.S. Cellular's ability to obtain handsets has been primarily a function of having aggregated handset volume with one major OEM. Launch of iPhone will make that kind of volume aggregation difficult going forward and may have a chilling effect upon other manufacturers' willingness to develop devices for U.S. Cellular. There is also a risk that given the limited total volume available for all Band 12 devices that existing OEMs may pull back on existing Band 12 support.

3) U.S. Cellular has announced a decision to spend \$200 million this year to refarm existing cellular spectrum to allow deployment of an iPhone across the areas where we have 850 MHz licenses. There are significant costs and network inefficiencies associated with this refarming which U.S. Cellular would not have incurred had a Band 12 iPhone been available.

4) In addition to the smartphone and tablet markets, U.S. Cellular has realized very limited success in obtaining access to M2M and connected device products on B12. Examples of important devices include connected car, home and health solutions, limiting our ability to serve customers and create effective competition within our markets. These products are very important to consumers and the future of our business.

5) U.S. Cellular believes that absent interoperability, history will repeat itself shortly in the device space as we see the deployment in the next 6-12 months, of devices capable of carrier aggregation. The lack of scale for Band 12 will directly impact timing and availability of chipsets and devices that support this and subsequent similar technologies.

6) What U.S. Cellular has accomplished in terms of a device lineup is not replicable in the long run by our company or by smaller carriers absent an order requiring interoperability due to time, effort, costs and inefficiencies involved.

7) Interoperability will enhance our ability to compete against the big four carriers through the removal of unnecessary costs associated with handset deployment. It will increase the use of stranded spectrum by other carriers and increase roaming alternatives as a result.

8) Significant consumer benefits associated with increased 4G coverage, unlocking and portability of devices will not be realized absent interoperability.

9) Although not directly associated with interoperability, U.S. Cellular continues to urge the Commission to impose power limits on E Block operations similar to those imposed upon AT&T in the Qualcomm transaction.

10) The Commission has the legal authority to impose interoperability and has done so in the past. See 47 USC Sections 151, 303(b), 303(g), 303(r), 307(b), 309(j)(3), 316, and 1302(a).

11) Action on interoperability is needed to restore bidder confidence in the upcoming 600 MHz auctions. A failure to act will send a very chilling message to other potential 600 MHz bidders.

12) AT&T's recent assertion that a switch is necessary to deploy a dual band solution via a single port is simply inaccurate. Based upon conversations with multiple OEMs, dual band 12/17 can be accomplished via a single port, using common RF architecture and a software solution. AT&T also asserts that it is too late to make changes to its device roadmap for 2015. Like AT&T, U.S. Cellular has had significant discussions with OEMs regarding its 2015 device roadmap. For U.S. Cellular, the reality is that device specifications still remain flexible and subject to change for 2015, or 2014 for that

matter. Certainly a carrier with the buying power of AT&T can make the modest changes necessary to comply with a Commission order for devices coming in 2014 and beyond.

In many markets it serves, U.S. Cellular is the only significant competitive check on the nation's two largest carriers - AT&T & Verizon. The attached map compares the LTE footprint of U.S. Cellular (as of the end of 2013) against the current LTE footprints of Sprint and T-Mobile. T-Mobile does not have any LTE deployed within the existing U.S. Cellular footprint and therefore does not appear on the map. Sprint's limited LTE coverage is also reflected on the map. As the attached map illustrates, the existing networks of Sprint and T-Mobile do not significantly overlap the U.S. Cellular coverage footprint in most of U.S. Cellular's existing service areas in rural America. Without action to resolve interoperability, U.S. Cellular's ability to compete will be diminished and consumer choice in those areas will be adversely impacted. The Commission cannot rely upon the existing networks of Sprint or T-Mobile to provide competitive alternatives to AT&T and Verizon in those areas.

Sincerely,

/S/

Grant B Spellmeyer
Vice President – Federal Affairs & Public Policy